The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

Paper No. 16

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte ERIC HANNAH and MICHAEL BOYD

Appeal No. 2005-0080
Application 09/690,512

ON BRIEF

Before JERRY SMITH, MACDONALD and NAPPI, Administrative Patent Judges.

JERRY SMITH, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on the appeal under 35 U.S.C. § 134 from the examiner's rejection of claims 1-7, 9, 11-17, 19 and 21-30, which constitute all the claims remaining in the application. The disclosed invention pertains to a method and apparatus for monitoring a watermark included with an electronic advertisement. The watermark is used to determine that the advertisement has been played by a user. When it is determined

that the advertisement has been played by the user, the user is either given a credit or a media player is enabled to permit the user to view additional material.

Representative claim 1 is reproduced as follows:

1. A method comprising:
monitoring a watermark included with an advertisement;

accruing a credit after determining that the advertisement was played; and

associating an indication that an advertisement was played with an identifier for a particular user.

The examiner relies on the following references:

Filepp et al. (Filepp)	5,347,632	Sep. 13, 1994
Fite et al. (Fite)	5,557,721	Sep. 17, 1996
Graber et al. (Graber)	5,717,860	Feb. 10, 1998
Merriman et al. (Merriman)	5,948,061	Sep. 07, 1999

The following rejections are on appeal before us:

1. Claims 1-7, 9, 27, 29 and 30 stand rejected under 35 U.S.C. § 101 as being directed to nonstatutory subject matter.

2. Claims 1-7, 9, 11-17, 19, 27 and 28 stand rejected under 35 U.S.C. § 102(b) as being anticipated by the disclosure of Filepp.

3. Claims 21-26 stand rejected under 35 U.S.C. § 102(b) as being anticipated by the disclosure of Fite.

4. Claim 29 stands rejected under 35 U.S.C. § 102(b) as being anticipated by the disclosure of Graber.

5. Claim 30 stands rejected under 35 U.S.C. § 102(b) as being anticipated by the disclosure of Merriman.

Rather than repeat the arguments of appellants or the examiner, we make reference to the briefs and the answer for the respective details thereof.

OPINION

We have carefully considered the subject matter on appeal, the rejections advanced by the examiner and the evidence of anticipation relied upon by the examiner as support for the prior art rejections. We have, likewise, reviewed and taken into consideration, in reaching our decision, the appellants' arguments set forth in the briefs along with the examiner's rationale in support of the rejections and arguments in rebuttal set forth in the examiner's answer.

It is our view, after consideration of the record before us, that the claimed invention is directed to statutory subject matter. We are also of the view that none of the prior art disclosures fully meet the invention as set forth in the claims on appeal. Accordingly, we reverse.

We consider first the rejection of claims 1-7, 9, 27, 29 and 30 under 35 U.S.C. § 101. It is the position of the examiner that these claims do not recite a useful, concrete and tangible

result under the decisions in In re Alappat, 31 USPQ2d 1545 (Fed. Cir. 1994) and State Street Bank & Trust Co. v. Signature Financial Group Inc., 47 USPQ2d 1596 (Fed. Cir. 1998). Essentially, the examiner finds that the claimed invention involves nothing more than the manipulation of an abstract idea and is not tied to any technological art [answer, pages 3-5].

Appellants argue that there is no requirement in 35 U.S.C. § 101 that the claimed invention be performed with interaction of a physical structure. Appellants also argue that a digital watermark is defined as "a pattern of bits embedded into a file used to identify the source of illegal copies" and is, therefore, not an abstract idea as asserted by the examiner [brief, pages 6-7].

The examiner responds that appellants' proposed definition of "watermark" is too narrow. The examiner asserts that a watermark includes any identifying feature which characterizes an advertisement. The examiner argues that the claimed invention can be performed without mechanical intervention or structural limitation [answer, pages 5-9].

Appellants respond that the disclosed invention has substantial utility. They also argue that the examiner is not permitted to assert a definition of the term "watermark" that is

inconsistent with its well established meanings of the term in the art. Appellants argue that there is simply no basis for the examiner's position that a watermark as used in the claimed invention could be an abstract idea [reply brief, pages 1-4].

We will not sustain the examiner's rejection of the claims under 35 U.S.C. § 101. We agree with appellants that the examiner's interpretation of the term "watermark" as used in the claims on appeal is unreasonable. Even though appellants offer the definition of "digital watermark" and the word "digital" does not appear in the claims, we agree with appellants that the term "watermark" should be interpreted as a "digital watermark." The claims recite that an advertisement is "played." We are of the view that the "playing" of an advertisement requires that some form of physical implementation be used. Therefore, we agree with appellants that the claimed playing of the advertisement requires some physical interaction to occur. Since the playing of the advertisement is physical, we agree with appellants that the watermark recited in the claimed invention must be interpreted as a physical or digital watermark which is embedded within the files of the advertisement. When the claimed watermark is interpreted in this manner, it is clear that the

claimed invention is not simply limited to an abstract idea as argued by the examiner.

We now consider the various rejections under 35 U.S.C. § 102. Anticipation is established only when a single prior art reference discloses, expressly or under the principles of inherency, each and every element of a claimed invention as well as disclosing structure which is capable of performing the recited functional limitations. RCA Corp. v. Applied Digital Data Systems, Inc., 730 F.2d 1440, 1444, 221 USPQ 385, 388 (Fed. Cir.); cert. dismissed, 468 U.S. 1228 (1984); W.L. Gore and Associates, Inc. v. Garlock, Inc., 721 F.2d 1540, 1554, 220 USPQ 303, 313 (Fed. Cir. 1983), cert. denied, 469 U.S. 851 (1984).

Appellants argue that neither Filepp, Fite, Graber nor Merriman makes any mention of monitoring a watermark included with an advertisement, that is, monitoring a pattern of bits embedded into a file. Appellants also argue that none of these references teaches or suggests a watermark detector to control operation of a media player in response to detection of a watermark [brief, pages 9-10].

The examiner responds that the user characteristics of Filepp meet the claimed watermark. The examiner also responds that Fite teaches the watermark detection operation by keeping

statistics of advertisement display and by relaying such statistics to a host system. The examiner also asserts that the URL symbols of Graber also meet the claimed watermark. Finally, the examiner responds that the tracking of advertisements in Merriman anticipates the claimed watermark monitoring [answer, pages 10-15].

Appellants respond that none of the applied references show a watermark as reasonably defined or have anything whatsoever to do with such watermarks. Appellants argue that all rejections should be reversed because the examiner's interpretation of the term "watermark" is contrary to the plain meaning of the term [reply brief, page 4].

We will not sustain any of the examiner's rejections of the claims under 35 U.S.C. § 102. As noted above, the only reasonable interpretation of the claimed "watermark" is that it is a digital watermark as argued by appellants. As noted above, a digital watermark is defined as a pattern of bits embedded into a file used to identify the source of illegal copies. None of the references cited by the examiner discloses such a watermark or the monitoring of such a watermark as claimed.

In summary, we have not sustained any of the examiner's rejections of the claims on appeal. Therefore, the decision of the examiner rejecting claims 1-7, 9, 11-17, 19 and 21-30 is reversed.

REVERSED

JERRY SMITH)
Administrative Patent Judge)
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ALLEN R. MACDONALD) BOARD OF PATENT
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